

## Message Text

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PAGE 01 LISBON 03552 01 OF 02 051320Z  
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 DODE-00 PM-04 H-01  
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02  
SS-15 USIA-06 AID-05 IGA-02 COME-00 EB-07 LAB-04  
SIL-01 /090 W  
-----051426Z 015440 /43

R 051142Z MAY 77  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC 1215  
INFO AMEMBASSY BONN  
USMISSION EC BRUSSELS  
USMISSION GENEVA  
AMEMBASSY LONDON  
AMEMBASSY MADRID  
AMCONSUL OPORTO  
AMEMBASSY OSLO  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY STOCKHOLM

C O N F I D E N T I A L SECTION 1 OF 2 LISBON 3552

E.O. 11652: GDS  
TAGS: ELAB, PINT, PO  
SUBJ: SOCIALIST PARTY DEBATES LABOR POLICY

REF: (A) LISBON 2974 (B) LISBON 2775 (NOTAL)

SUMMARY: SOCIALIST LABOR POLICY WAS SPELLED OUT TO MEETING OF  
PS UNION LEADERS MAY 1. POLICY CALLS FOR ACTIVE PROGRAM TO  
COUNTER PCP CONTROL OF CGTP. SOME LEFT-WING PS MEMBERS OBJECT  
TO PROPOSALS AND MAY LEAVE PARTY. END SUMMARY

1. PRIME MINISTER MARION SOARES AND LABOR MINISTER MALDONADO  
GONELHA PROPOSED A LABOR POLICY TO MORE THAN 200 PS LABOR LEADERS  
IN OPORTO MAY 1. ACCOMPANYING SOARES WERE PS PARTY  
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PAGE 02 LISBON 03552 01 OF 02 051320Z

PRESIDENT ANTONIO MACEDO, MARCELO CURTO, SALGADO ZENHA,  
JAIME GAMA, MANUEL ALEGRE, AND OTHER RANKING LEADERS--  
CLEAR EVIDENCE OF IMPORTANCE SOCIALISTS ATTACHED TO MEETING.  
LABOR MINISTER MALDONADO GONELHA'S PROPOSALS HAD BEEN  
APPROVED EARLIER IN GENERAL TERMS BY THE PS SECRETARIAT  
ON APR 13 (REFTEL A). IN THE OPORTO MEETING THE POLICY  
WAS SPELLED OUT IN MORE DETAIL.

2. SOCIALIST ALTERNATIVE: GONELHA'S POLICY STATEMENT CONTAINED STRONG CRITICISM OF THE PCP'S DOMINATION OF THE CGTP-INTERSINDICAL SECRETARIAT OF THE CONFEDERATION'S ANTI-DEMOCRATIC NATURE. HE LIKewise CRITICIZED THE LEADERSHIP OF THE "OPEN LETTER" MOVEMENT FOR A LACK OF AUDACITY AND FOR FAILURE TO PROVIDE A MEANINGFUL DEMOCRATIC ALTERNATIVE TO THE CGTP. HE CITED AS AN EXAMPLE THE "OPEN LETTER" MOVEMENT'S FAILURE TO ORGANIZE A CONGRESS OF DEMOCRATIC UNIONS FOR FEAR OF "DIVIDING THE LABOR MOVEMENT" WHILE AT THE SAME TIME THE INTERSINDICAL/CGTP TOOK THE INITIATIVE TO CONVENE ITS NATIONAL CONGRESS FOR LABOR UNITY. GONELHA APPEALED FOR FREE, DEMOCRATIC TRADE UNIONISM, AS DEFINED BY CONVENTION 87 OF THE ILO, AND FOR THE RESTRUCTURING OF THE PORTUGUESE LABOR MOVEMENT THROUGH REFORMS APPROVED BY POPULAR VOTE.

3. SECOND CONFEDERATION?: GONELHA STATED THE QUESTION OF A SECOND CONFEDERATION IS A "FALSE ISSUE" AND THAT DEMOCRATIC UNIONISTS SHOULD BE CONCERNED AT PRESENT ONLY WITH WINNING CONTROL OF EXISTING UNIONS AND RESTRUCTURING THE LABOR MOVEMENT. HE CALLED FOR DEMOCRATIC LISTS TO CONTEST UNION ELECTIONS, "ALWAYS REJECTING ANY ALLIANCE OR UNDERSTANDING WITH THE CGTP."

4. SIX SPECIFIC OBJECTIVES STATED BY GONELHA INCLUDED:  
-- WINNING OF UNION ELECTIONS BY PS SLATES ALONE, OR WHEN THIS NOT POSSIBLE, IN COALITIONS WITH OTHER DEMOCRATIC UNIONS, THE FORMATION OF SUCH COALITIONS TO BE CONSIDERED ON A CASE  
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PAGE 03 LISBON 03552 01 OF 02 051320Z

BY CASE BASIS. COALITIONS WITH THE CGTP AND THE FAR LEFT ARE TO BE REJECTED.

-- CREATION OF NEW UNIONS, BY ECONOMIC SECTOR, WHERE JUSTIFIED BY THE ANTI-DEMOCRATIC NATURE OF EXISTING UNIONS.  
-- RESTRUCTURING OF THE LABOR MOVEMENT ALONG VERTICAL, INDUSTRIAL LINES. PROVIDE NEW STATUTES MAKING THE BI-ANNUAL OR TRI-ANNUAL UNION CONGRESS THE SUPREME POLICY ORGAN. THE EXECUTIVE BODY OF THE UNION SHOULD BE ELECTED BY DIRECT, UNIVERSAL SECRET BALLOT WITH GUARANTEE OF PROPORTIONAL REPRESENTATION IN THE LEADERSHIP. THIS WILL ELIMINATE HARASSMENT OF UNION LEADERSHIPS BY GENERAL ASSEMBLIES CONVOKED BY PCP MINORITIES.  
-- INVIGORATION OF THE "OPEN LETTER" MOVEMENT IN DEFENSE OF DEMOCRATIC UNIONISM AGAINST THE TOTALITARIAN CGTP.  
-- CREATION OF THE JOSE FONTANA FOUNDATION TO ASSIST IN TRAINING AND SUPPORTING PS LABOR LEADERS.  
-- RECOGNITION THAT LABOR UNITY IS IMPORTANT, BUT IT MUST BE CONSTRUCTED DEMOCRATICALLY AND IN LIBERTY BY THE WORKERS THEMSELVES.

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PAGE 01 LISBON 03552 02 OF 02 051341Z  
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SS-15 USIA-06 AID-05 IGA-02 COME-00 EB-07 LAB-04  
SIL-01 /090 W

-----051427Z 015730 /43

R 051142Z MAY 77  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC 1216  
INFO AMEMBASSY BONN  
USMISSION EC BRUSSELS  
USMISSION GENEVA  
AMEMBASSY LONDON  
AMEMBASSY MADRID  
AMCONSUL OPORTO  
AMEMBASSY OSLO  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY STOCKHOLM

C O N F I D E N T I A L SECTION 2 OF 2 LISBON 3552

5. MIXED RESPONSE TO GONELHA PROPOSAL: MOST PS LABOR CADRE SEEM DISPOSED TO APPROVE THE GONELHA INITIATIVES. MAJOR EXCEPTIONS ARE KALIDAS BARRETO, SECRETARIAT MEMBER OF THE CGTP, AND JOSE LUIS GASPAR, SPOKESMAN FOR THE "OPEN LETTER" MOVEMENT. BARRETO'S SPEECH TO MAY 1 CGTP RALLY IN LISBON HAS PRODUCED FURTHER CALLS FOR BARRETO'S RESIGNATION FROM PS LEADERS JAIME GAMA AND MANUEL ALEGRE. GASPAR, WHOSE LEFT WQNG SOCIALIST VIEWS FREQUENTLY DEFINED POLICY FOR THE "OPEN LETTER" MEETING IN OPORTO APRIL 16-17. RECENT ACTIVE PARTICIPATION OF PSD-DOMINATED UNIONS IN THE "OPEN LETTER" MOVEMENT, AND EFFORTS BY PSD'S OLIVERIA MARTINS FOUNDATION, HAVE CAUSED ORIENTATION OF "OPEN LETTER" MOVEMENT TO BECOME MORE ACTIVIST AND LESS ACCEPTABLE TO GASPAR AND OTHER PS LEFT WINGS.

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PAGE 02 LISBON 03552 02 OF 02 051341Z

6. POSSIBILITY OF ANOTHER PS SPLIT OVER LABOR: PRIME MINISTER SOARES HAS TOLD AMBASSADOR HE EXPECTS PS LEFT-WING DISSIDENTS TO SPLIT FROM PARTY (REF B). PS TACTICS ARE APPARENTLY TO FORCE KALIDAS BARRETO TO RESIGN RATHER THAN FORMALLY EXPELL HIM FROM PS. GASPAR HAS OPENLY INDICATED HIS DISAGREEMENT WITH GONELHA'S PROPOSED POLICY AND COULD POSSIBLY TAKE SOME ELEMENTS OF "OPEN LETTER" MOVEMENT WITH HIM SHOULD HE DECIDE TO ABANDON PS.

7. PSD CONCERNED OVER POSSIBILITY OF PS LABOR SPLIT: PSD LABOR STRATEGIST MARIO PINTO TOLD LABATT MAY 2 THAT ONLY SOLUTION FOR DEMOCRATIC LABOR REMAINS CLOSE COLLABORATION BETWEEN PSD AND PS. PSD HAD PLANNED MAJOR PRESS CONFERENCE FOR MAY 1 IN WHICH THEY WOULD HAVE MADE DECLARATION GENERALLY SUPPORTIVE OF GONELHA'S PROPOSED PS LABOR POLICY. PSD DECIDED TO CANCEL ANNOUNCEMENT AT LAST MINUTE IN BELIEF THAT THEIR DECLARATION WOULD ONLY COMPOUND CHANCES OF A LABOR SPLIT WITHIN THE PS. SOCIALISTS IN IMPORTANT SOUTHERN TEACHER'S UNION ARE CURRENTLY DIVIDED AMONG THREE SLATES -- ONE A "UNITY OF THE LEFT" COALITION WITH THE PCP, ONE SUPPORTING THE UNION'S PRESENT LEFT WING PS LEADERSHIP, AND ONE A COALITION WITH THE PSD. PINTO CITED THIS AS PROOF THAT PS LABOR UNITY IS FRAGILE AND THERE IS REAL DANGER OF A SPLIT IN THE PARTY.

8. CHURCH DECLARES AGAINST PARTY MANIPULATION OF UNIONS: IN THEIR FIRST DECLARATION ON LABOR AFFAIRS SINCE 1975, PORTUGUESE CATHOLIC BISHOPS ISSUED A STATEMENT MAY 4 CALLING UPON CATHOLIC WORKERS TO PARTICIPATE IN UNION ELECTIONS. IT CALLED THE FREEDOM OF ORGANIZATION THE BASIS OF LABOR DIGNITY. IN A CLEAR REFERENCE TO THE PCP, IT PROTESTED AGAINST THE MANIPULATION OF UNIONS BY POLITICAL PARTIES AND MINORITIES.

9. COMMENT: EMBASSY BELIEVES THAT THE FIRM LINE THE PS LEADERSHIP IS TAKING IN FACING DOWN ITS LEFT WING, AND  
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PAGE 03 LISBON 03552 02 OF 02 051341Z

THE SUPPORT IT IS GIVING TO GONELHA'S LABOR PROPOSALS, MEANS THAT SOARES HAS CALCULATED HIS POTENTIAL LOSSES AND IS WILLING TO ACCEPT THEM AS THE PRICE FOR AN ACCEPTABLE LABOR POLICY, AND A MORE UNIFIED PARTY.  
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## Message Attributes

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